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Treasurer says state's great

State Treasurer Dean Martin wants everyone to know the money they're sending the state's way is finally in good hands.

On a three-day tour of Southern Arizona, Martin met with local officials in an effort to put to rest their worries about the turmoil in the department surrounding the former treasurer, David Petersen, and restore their confidence in "the state's bank."

Petersen did not seek re-election to office last year after coming under fire and possible criminal investigation for improperly keeping speaking fees, billing the state for personal travel expenses and hiring friends whose primary responsibilities were to push his Character First training program in businesses and schools. The Arizona Treasurer's Office collects and distributes more than \$36 billion each year in fees and tax revenue. It also manages nearly \$12.2 billion in 26 different investment portfolios, most as a service to local governments.

"Pima County is our largest investor," Martin said in an interview as a reason for his visit here.

"We want them, as well as all the rest of our investors in Southern Arizona, to know we're off to a good start, rebuilding the investment and portfolio management staff and putting in the checks and balances to protect their funds."

The Treasurer's Office is also working to improve communication by putting the database online and meeting with each investor quarterly to update them on the status of their investment pool.

Martin remains upbeat despite the economic setbacks in the housing industry. Although economic growth may slow, he said better fund management will keep the state's portfolio benchmarks on the rise.

That includes the \$2.4 billion education endowment fund.

"We're estimating a \$69.26 million distribution for fiscal 2008, more than double fiscal 2007, and we've been able to do that with a 7 percent rate of return, above the rate of inflation, without increasing land sales," he said.

By 2010 he said he expects the distribution to be more than \$90 million,

"The endowment doesn't cost the taxpayers a cent," Martin said. "It protects us from the boom and bust that always part of our state's economy, and it gives us another tool in our toolbox to focus on our investment in education, for the long term, without depending on short-term decisions by the legislature."

Contact Philip S. Moore at pmoore@azbiz.com or at (520) 295-4238.

Philip S. Moore, Inside Tucson Business